



STANCOR LIMITED

Whitby, Ontario · Canada · 416/668-3315

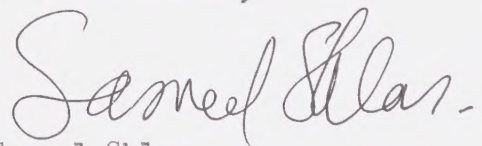
July 22, 1968

TO THE SHAREHOLDERS:

I am pleased to be able to report that your Company has moved from severe losses in 1967 to approximately a break even position during the first twenty-four weeks of 1968. With a reorganized financial structure, the Company would have shown a profit of \$17,500.00 for the period. This is \$122,000.00 better than your management forecast for this portion of the year. It is particularly encouraging because the improvement over forecast was made at the Peppler Division where the Company experienced so much difficulty in 1967. With a reasonably firm economy and a reorganized financial structure, which we expect to be approved July 31, the Company should show substantial further progress during the second half of the year.

Yours very truly,

STANCOR LIMITED,


Samuel Sklar,
President.

STANCOR LIMITED
(Incorporated under the laws of Ontario)
and subsidiary companies

CONSOLIDATED BALANCE SHEET

AND

CONSOLIDATED PRO-FORMA BALANCE SHEET AFTER GIVING EFFECT TO REORG

JUNE 15, 1968

A S S E T S

	<u>Actual</u>	<u>Pro Forma</u>	
CURRENT ASSETS:			CURRENT LIABILITIES:
Accounts receivable	\$2,054,413	\$2,054,413	Bank indebtedness
Inventories, at the lower of cost and net realizable value			Accounts payable a
Raw materials	1,058,032		Sales and other ta
Work in process	488,331		
Finished goods	<u>906,094</u>		
	2,452,457	2,452,457	Payable on long te
Prepaid expenses and other current assets	<u>104,999</u>	<u>104,999</u>	Current interest
			Overdue interest
Total current assets	<u>4,611,869</u>	4,611,869	Current sinking
			Overdue sinking
			Total curren
PROPERTY, PLANT AND EQUIPMENT - at cost			
Land	61,397		NON-CURRENT LIABILIT
Buildings	1,881,889		Bonds
Leasehold improvements	210,392		General mortgage d
Machinery and equipment	<u>2,785,558</u>		Collateral trust d
	4,939,236		
Less accumulated depreciation	<u>1,627,548</u>		Less unamortized
			and expense an
	<u>3,311,688</u>	<u>3,311,688</u>	
			CAPITAL AND DEFICIT
			Preference shares
			Common shares
			(Deficit)
			Less investment
TOTAL TANGIBLE ASSETS	<u>\$7,923,557</u>	<u>\$7,923,557</u>	TOTAL INVESTMENT IN

NOTES:

1. The Consolidated Pro-Forma Balance Sheet reflects the financial position of the 1968, after giving effect to the Plan of Reorganization approved by the Board o
2. Since June 15, 1968, 95,750 common shares have been issued under a trust arrang consideration of \$957.50. This has reduced the price at which General Mortgage Shares, and Share Purchase Warrants may be converted into Common Shares from \$8

IZATION (NOTE 1)

LIABILITIES

	<u>Actual</u>	<u>Pro Forma</u>
	\$2,845,141	\$2,739,092
and accrued charges	1,182,509	1,182,509
es payable	<u>166,724</u>	<u>166,724</u>
	4,194,374	4,088,325
m debt	67,644	60,283
	305,568	-
und instalments	177,000	-
und instalments	<u>107,000</u>	<u>-</u>
	4,851,586	4,148,608
liabilities		
ES (note 2):		
	1,923,969	2,295,627
bentures	930,375	997,035
bentures	<u>1,180,000</u>	<u>1,250,000</u>
	4,034,344	4,542,662
debt discount		
sinking fund deposit	<u>293,524</u>	<u>187,475</u>
	<u>3,740,820</u>	<u>4,355,187</u>
note 2):		
	2,000,000	-
	1,713,800	3,795,050
	<u>(1,576,922)</u>	<u>(1,569,561)</u>
	2,136,878	2,225,489
n goodwill	<u>2,805,727</u>	<u>2,805,727</u>
	<u>(668,849)</u>	<u>(580,238)</u>
ANGIBLE ASSETS	<u>\$7,923,557</u>	<u>\$7,923,557</u>

Company as it would have appeared at June 15,
Directors June 28, 1968.

ment for employees of the Company for a
Debentures, Collateral Trust Debentures, Preference
00 to \$6.22 per Common Share.

Digitized by the Internet Archive
in 2023 with funding from
University of Alberta Library

STANCOR LIMITED
and subsidiary companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND DEFICIT

FOR THE PERIOD JANUARY 1 TO JUNE 15, 1968

(with comparative figures for the period January 1 to June 17, 1967)

	<u>1968</u>	<u>1967</u>
NET SALES	\$ <u>5,641,158</u>	\$ <u>5,649,970</u>
DEDUCTIONS		
Cost of goods sold	4,384,351	4,789,095
Marketing expenses	498,084	638,207
General and administrative expenses	400,028	636,145
Depreciation	<u>138,580</u>	<u>134,739</u>
	<u>5,421,043</u>	<u>6,198,186</u>
OPERATING PROFIT (LOSS) BEFORE INTEREST	<u>220,115</u>	<u>(548,216)</u>
INTEREST:		
Interest on bank indebtedness	97,438	93,202
Interest on long-term debt (including amortization of debt discount and expense)	<u>142,632</u>	<u>149,727</u>
	<u>240,070</u>	<u>242,929</u>
NET LOSS FOR THE PERIOD	19,955	791,145
DEFICIT (SURPLUS), BEGINNING OF PERIOD	<u>1,556,967</u>	<u>(102,575)</u>
DEFICIT, END OF PERIOD	<u>\$1,576,922</u>	<u>\$ 688,570</u>

- NOTE: 1. The statement of profit and loss issued by the Company in mid 1967 covering the period January 1 to June 17, 1967 included an amount of \$46,757 as "amortization of start-up costs". In the Annual Report for the year ended December 31, 1967, however, start-up costs were written off entirely against deficit account. To be consistent with the 1967 Annual Report, the amortization of start-up costs has been eliminated from the 1967 comparative figures in the above statement of profit and loss.
2. If the Plan of Reorganization had been effected on January 1, 1968, interest on long-term debt would have been reduced by \$37,500 and the Company would have shown a profit of \$17,500 in 1968.
3. The statement of profit and loss for the period January 1 to June 17, 1967 included the operations of Peppler-Selig Limited, a subsidiary company whose assets and business were sold on August 11, 1967.

STANCOR LIMITED
and subsidiary companies

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD JANUARY 1 TO JUNE 15, 1968
(with comparative figures for the period January 1 to June 17, 1967)

	<u>1968</u>	<u>1967</u>
Net (loss) for the period	\$ <u>(19,955)</u>	\$ <u>(791,145)</u>
Less non-cash charges		
Depreciation	138,580	134,739
Amortization of debt discount	<u>6,953</u>	<u>6,953</u>
	<u>145,533</u>	<u>141,692</u>
Funds provided by (applied to) operations	125,578	(649,453)
Additions to plant and equipment, net	<u>52,494</u>	<u>74,441</u>
Increase (decrease) in working capital	\$ <u>73,084</u>	\$ <u>(723,894)</u>

STANLEY A. LINDEN
and subsidiary companies

CONSOLIDATED STATEMENT OF INCOME AND APPLICATION OF FUNDS

FOR THE PERIOD JANUARY 1 TO JUNE 30, 1965

(with comparative figures for the period January 1 to June 30, 1964)

<u>1965</u>	<u>1964</u>	
<u>\$1,747,143</u>	<u>\$1,010,797</u>	Net (loss) for the period
		Less non-cash charges:
154,734	138,280	Depreciation
<u>6,987</u>	<u>6,987</u>	Amortization of debt discounts
<u>241,632</u>	<u>241,632</u>	
<u>(84,443)</u>	<u>127,278</u>	Procs provided by (applied to) operations
<u>74,447</u>	<u>22,484</u>	Additions to plant and equipment, net
<u>\$173,824</u>	<u>\$ 77,081</u>	Increase (decrease) in working capital